

<b>OREGON ACCOUNTING MANUAL</b>		Number 10.40.10
Oregon Department of Administrative Services State Controller's Division		Effective Date July 28, 2003
Chapter	<b>Internal Control</b>	.1 OF .4
Part	<b>Expenditures</b>	
Section	<b>Non-travel Meals and Refreshments</b>	Approval  Signature on file at SCD

Authority      **ORS 291.015**  
                    **ORS 293.295**  
                    **ORS 293.330**  
                    **ORS 293.590**

### Purpose and Applicability

- .101 This policy provides guidelines to **agencies** concerning when meals and refreshments may be paid for with **State funds**. Applicability of this policy is limited to non-travel business meals and refreshments. *Non-travel business* would include meetings, training sessions, conferences, or other agency-sponsored events to conduct official state business. This policy does not apply to reimbursement (through submission of travel expense claim) or provision (provided by agency directly) of meals and refreshments to employees or authorized non-state individuals, including volunteers and board or commission members, while the employee or individual is on travel status. See **OAM 40.10.00** (travel policy) for situations in which the employee or authorized non-state individual, including volunteer, is on travel status.
- .102 As noted in **OAM 10.40.00**, Internal Control – Expenditures, employees authorized to obligate State funds are responsible to ensure the expenditure is appropriate and lawful. Public employees may be personally liable for obligations that are inappropriate or an improper use of State funds. As with any expenditure, **agency heads** and employees with delegated **expenditure decision authority** are responsible to determine the appropriateness of purchases and to ensure that sufficient documentation exists to support the expenditure. The purchase must serve the business needs of the agency, and authorization must be provided prior to obligation of funds. This policy is intended to provide guidelines to help decision-makers determine the prudence of purchasing non-travel meals and refreshments with State funds. The cost of non-travel meals and refreshments should be reasonable and not excessive.
- .103 Agency management is responsible for establishing procedures to implement this policy. Individual agencies may adopt policies on meals and refreshments that are more restrictive than this policy, at the discretion of the agency.

### Meals

- .104 Meals are defined to include food and beverages provided at breakfast, lunch, or dinner to attendees of agency-sponsored functions.
- .105 State funds must not be used to provide non-travel business meals for regularly scheduled staff meetings. In addition, state funds must not be used to provide non-travel business meals for business meetings where the majority of participants are state employees, except as allowed in (a), (b), and (c) below:

- a. Even when the majority of participants are state employees, a non-travel business meal may be provided at legal proceedings such as a hearing, trial, deposition, or mediation. At the discretion of the agency, a meal may be provided when an employee is participating in legal proceedings and the meal is served during the course of the proceedings or the cost of the meal is incurred as a part of preparing a participant for ongoing legal proceedings.
  - b. Even when the majority of participants are state employees, a non-travel business meal may be provided at training sessions and conferences attended by a minimum of 25 participants. For training sessions and conferences attended by less than 25 participants, agencies should apply professional judgment to consider whether participants can reasonably be expected to obtain and consume a meal on their own based on proximity to available food service and return within an hour. If participants cannot reasonably be expected to obtain and consume a meal on their own based on proximity to available food service and return within an hour, a meal may be provided with State funds. When a meal is provided at training sessions and conferences, it is not necessary that business be conducted during the meal period.
  - c. Even when the majority of participants are state employees, a non-travel business meal may be provided to participants of board and commission meetings (boards and commissions must be approved by statute) when a business meeting is held over a normally scheduled meal period and the meeting is at least 3 hours long. Participants may include staff, but only those essential for the conduct of business.
- .106 In addition to .105 above, State funds must not be used to provide non-travel business meals for employees or other participants, except as noted in paragraph .107 below.
- .107 A meal may be provided to attendees when a business meeting includes a working business meal at which the attendance of participants is required, and the meal period is designated as a work session, which is documented in the meeting agenda. Business must be conducted during the meal period and a benefit to the State must be gained by providing the meal as part of the agenda rather than dismissing attendees to obtain a meal. For example, benefits may be gained in that providing a meal maintains continuity, promotes safety, or enables resumption of duties.

## Refreshments

- .108 Refreshments are defined to include beverages such as coffee, tea, bottled water, juice, soda, and similar liquid refreshments as well as sugar and creamer. Food items such as fruit, pastries, chips, cookies, cake, candy, etc., are also considered refreshments.
- .109 State funds must not be used to provide refreshments for:
- a. Regularly scheduled staff meetings.
  - b. Office social events such as celebrating holidays or birthdays.
  - c. Voluntary social events (either off-site or in the office) such as agency-sponsored retirement celebrations.
- .110 State funds may not be used to purchase bottled water and/or water dispensers for offices, except when water has been officially tested and found to be unsafe for drinking purposes, or in cases of permanent or temporary water unavailability. In temporary situations, agencies should document the circumstances as justification for the need to purchase water.
- .111 State funds may only be used to purchase alcoholic beverages if an agency has an appropriate business-related function. In addition, agencies that purchase alcoholic beverages for business-related functions must comply with Risk Management Policy 125-7-401 (see <http://www.oregon.gov/das/Risk/Pages/Inself.aspx>).

- .112 Alcoholic beverages in paragraph .111 above do not include alcoholic beverage products purchased for commercial distribution, such as operations of the Oregon Liquor Control Commission.
- .113 At the discretion of the agency, State funds may be used to provide refreshments for the purposes or events listed below.
- a. Business meetings with industry representatives or the public. This may include events such as task force, advisory board, or commission meetings.
  - b. Business meetings involving state employees that are scheduled to last 4 hours or longer and cafeteria services are not reasonably available.
  - c. Business meetings or training events when the majority of personnel attending are called in from field office locations outside the city where the meeting or training is taking place.
  - d. Training events held for the purpose of instruction or dissemination of information to state employees and/or the general public.
  - e. Staff retreats held for the purpose of the agency's work-related planning.
  - f. Agency-sponsored employee recognition or volunteer recognition programs.
  - g. When refreshments are included as a non-separable portion of the cost of renting a facility.
  - h. As a gesture of appreciation to volunteers during or after work is performed.

#### **Related Items**

- .114 Essential serving products such as paper plates, cups, and plastic utensils may be purchased with State funds, as long as the purpose or event meets the guidelines for purchasing meals or refreshments outlined in this policy.
- .115 Other related items such as those listed below may not be purchased with State funds:
- Holiday decorations
  - Indoor house plants or flower arrangements
  - Retirement invitations, cards, gifts, and party favors
  - Punch bowl sets or other specialty serving containers
- .116 Related items in paragraph .115 above do not include serving containers or other items used in commercial operations such as conference rental facilities operated by state agencies or promotional items that support an agency's business mission.

#### **Documentation and Payment**

- .117 When meals or refreshments are provided for a given event, the following record keeping should be used to account for the use of State funds:
- a. Written agenda for the meeting documenting that it was a working business meal. For training sessions and conferences, there is no requirement that business be conducted during the meal; however, a written agenda of the training session or conference is required.
  - b. Written list of meeting attendees, including the number of state employees versus the number of non-state employees (in cases where personal identity is confidential or sensitive in nature, a number of attendees is sufficient; however, the number of state employees versus the number of non-state employees should still be indicated).

- c. An itemized invoice or receipt, including unit costs, from the vendor who provided the meals and refreshments.
- .118 The written agenda and list of attendees (or number of participants) should be attached to the invoice for payment to vendors for meals and refreshments.
- .119 If a questionable or inappropriate payment is made that does not comply with the guidelines outlined in this policy, agency management should take appropriate action, including obtaining reimbursement from the employee who authorized the purchase.